

EXPLOITATION

AUG 23 1954

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT: SIC Consideration of DCID 15/1

PROBLEM

1. On 3 August the IAC requested the SIC to study and make recommendations on a proposed DCID 15/1, attached in TAB A.

DISCUSSION

2. After four long sessions the SIC working group agreed on the preamble and sections 1, 2 d and e, and 3, attached in TAB B. While these sections contain certain changes from the original draft, none of these changes seem to us to represent a fundamental departure from the original.

3. As we originally anticipated, the principal problem centered around the State/CIA disagreement on part 2 b (responsibility for the Bloc). Although there is really no fundamental disagreement on 2 a (responsibility for non-Bloc) and 2 c (responsibility for military economic world-wide, the working group felt that 2 a, b, and c must be considered as a package. The State proposal for a, b, and c, attached in TAB C, reiterates the State assertion that "political-economic intelligence" production should be State's responsibility. While the military services are generally satisfied with the responsibilities assigned to them, they have insisted that something be done to satisfy the State contention.

4. In an effort to do this, we met individually with the military services and presented an alternate proposal which would give to State primary responsibility for making political and sociological interpretations of economic developments in the Bloc, attached in TAB D. This, of course, does not really

yield anything to State since they already have this responsibility for political intelligence under NSCIB 3, but the services felt that this might satisfy State's demands. We felt that it would not but went along in order to keep the services on our side. As expected, this alternative was unacceptable to State and they reiterated their former position although after lengthy argumentation by CIA they admitted there were perhaps better examples than they had listed parenthetically in their proposed alternative.

5. Since State was clearly dissatisfied, the military services were reluctant to accept the CIA position and in fact a couple of them seemed to feel that it would be better not to have a DCID at all than one which put State out of business on the Bloc against its will as far as responsibility for economic intelligence production goes.

6. Following the last meeting, the military representatives notified the CIA representative that they were attempting to work up some type of compromise draft on part 2 b and would notify us of their suggestions by the afternoon of 23 August.

ALTERNATIVES

7. These discussions seem to present the following alternatives:

a. Have the EIC present a split position to the IAC on part 2 b along the lines of the State alternative in TAB C and the CIA draft in TAB D. From CIA's point of view this would be undesirable since we pretty clearly would not have the support of the military services.

b. Prior to the presentation of the EIC position to the IAC you, or Mr. Dulles, might call on top officials in State in an effort to change the State position.

c. We might work for a compromise with State which would resolve the disagreement or at least bring the military services on our side. If this approach is selected, we suggest that it either (1) be along

the lines of the alternative attached in TAB E, or,
(2) along the lines of the compromise draft currently
in preparation by the military services if this proves
acceptable to us.

25X1A



OTTO E. GUTHRIE
Assistant Director
Research and Reports

Attachments (Tab A through E)

25X1A

OPR: [redacted] :dp
23 August 1954